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20 Attorneys for Plaintiffs

21 UNITED STATES DISTRICT COURT

22 NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION

23 RUSSELL RAWLINGS, JESSICA LEHMAN,
24 AND CALIFORNIA FOUNDATION FOR
25 INDEPENDENT LIVING CENTERS, A
26 CALIFORNIA NONPROFIT
27 CORPORATION,

28 Plaintiffs,

v.

CALIFORNIA HEALTH AND HUMAN
SERVICES AGENCY AND CALIFORNIA
DEPARTMENT OF MANAGED HEALTH
CARE,

Defendants.

Case No.: 4:21-cv-07872-HSG

**JOINT STIPULATION OF DISMISSAL
AND ORDER**

Judge: Hon. Haywood S. Gilliam, Jr.

Action Filed: October 7, 2021
Trial Date: February 2, 2026

1 The parties have reached a settlement of this matter which is attached as Exhibit A. The
2 settlement includes commitments by Defendant Department of Managed Health Care (DMHC)
3 at paragraphs 9, 10, and 11, and an agreed-upon process for resolving Plaintiffs' claim for
4 attorneys' fees and costs at paragraph 12.

5 Pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), and as stated in paragraph
6 13, the parties stipulate and agree to dismiss this action with prejudice with retained jurisdiction
7 for enforcement of the settlement agreement pursuant to *Kokkonen v. Guardian Life Ins. Co. of*
8 *America*, 511 U.S. 375 (1994). Plaintiffs may seek to enforce the settlement agreement or move
9 to reopen the action in the event that the new benchmark plan is not allowed by the federal
10 government or passed by the legislature, or if the wheelchair benefit of the new benchmark plan
11 is vetoed in whole or in part by the Governor.

12 Respectfully submitted,

13
14 Dated: September 9, 2025

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16 DISABILITY RIGHTS EDUCATION AND
17 DEFENSE FUND

18 /s/

19 Claudia Center, DISABILITY RIGHTS
20 EDUCATION AND DEFENSE FUND

21 DISABILITY RIGHTS EDUCATION AND
22 DEFENSE FUND

23 /s/

24 Ernest Galvan, ROSEN BIEN GALVAN &
25 GRUNFELD LLP

26 Attorneys for Plaintiffs
27
28

1 Dated: September 9, 2025

2
3 ROB BONTA Attorney General of California
4 JULIE T. TRINH Supervising Deputy Attorney
General

5 /s/

6 _____
Dane Barca, Deputy Attorney General

7 Attorney for Defendants
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ECF ATTESTATION

In accordance with Civil Local Rule 5-1(i)(3), I, Alexandra Cline, attest that I have obtained concurrence in the filing of this document from all other signatories listed here.

Dated: September 9, 2025

By: _____
Alexandra Cline

ORDER

The terms and conditions of the parties' August 29, 2025, Settlement Agreement are incorporated by reference into this Order. The Court retains jurisdiction to enforce the terms of the Settlement Agreement pursuant to *Kokkonen v. Guardian Life Ins. Co.*, 511 U.S. 375 (1994) and in accordance with paragraph 13 of the Settlement Agreement.

Subject to the foregoing, the Clerk of Court is directed to dismiss this matter. All dates and deadlines are hereby vacated.

IT IS SO ORDERED.

Dated: 9/9/2025


Hon. Haywood S. Gilliam, Jr.

UNITED STATES DISTRICT JUDGE

EXHIBIT A

1 CLAUDIA CENTER – 158255
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11 Attorneys for Plaintiffs

12
13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION
15

16 RUSSELL RAWLINGS, JESSICA
17 LEHMAN, and CALIFORNIA
FOUNDATION FOR INDEPENDENT
18 LIVING CENTERS, a California nonprofit
corporation,

19 Plaintiffs,

20 v.

21 CALIFORNIA HEALTH AND HUMAN
22 SERVICES AGENCY and CALIFORNIA
DEPARTMENT OF MANAGED
23 HEALTH CARE,

24 Defendants.
25
26
27
28

Case No. 4:21-cv-07872-HSG

SETTLEMENT AGREEMENT

Judge: Hon. Haywood S. Gilliam, Jr.

Action Filed: October 7, 2021
Trial Date: February 2, 2026

1 **I. RECITALS**

2 1. WHEREAS, the California Department of Managed Health Care (DMHC) is
3 a state government entity that licenses and regulates health care service plans in the State
4 of California, and is responsible for implementing and enforcing the Essential Health
5 Benefits (EHB) provisions of the federal Affordable Care Act (“ACA”).

6 2. WHEREAS, the Plaintiffs sued DMHC and its parent agency, the California
7 Health and Human Services Agency (CalHHS), alleging that these state entities violated
8 Section 1557 of the ACA by implementing California’s EHB plan in a manner that
9 excludes Durable Medical Equipment (DME) coverage for wheelchairs.

10 3. WHEREAS, DMHC and CalHHS contend that they are obligated by a state
11 statute that established California’s EHB benchmark and that does not include wheelchairs.

12 4. WHEREAS, the United States District Court for the Northern District of
13 California ruled that Plaintiffs had adequately alleged that the exclusion of wheelchairs
14 resulted in a denial of “meaningful access to a benefit (i.e. wheelchair coverage) needed to
15 address a condition that is a proxy for their mobility disability.” *Smith v. Cal. Dep’t of*
16 *Managed Health Care*, No. 21-CV-07872-HSG, 2023 WL 8125337, at *9 (N.D. Cal. Nov.
17 22, 2023).

18 5. WHEREAS, Plaintiffs have served, but DMHC has not responded to,
19 discovery requests.

20 6. WHEREAS, DMHC on May 7, 2025, requested that the Centers for
21 Medicare & Medicaid Services, a federal agency in the United States Department of
22 Health and Human Services, approve a new EHB plan for the State of California that
23 includes “[m]obility devices, including but not limited to, walkers and manual and power
24 wheelchairs, and scooters.”

25 7. WHEREAS, the California Senate on May 27, 2025, passed Senate Bill 62,
26 and the California Assembly on May 29, 2025, passed Assembly Bill 224, which are
27 identical bills to add wheelchairs to the EHB starting January 1, 2027.

28 8. WHEREFORE, in consideration of the mutual covenants and promises set

1 forth in this Agreement, the Parties desire to fully and finally resolve this matter on the
2 following terms and conditions.

3 **II. TERMS**

4 9. DMHC commits to use best efforts to secure a wheelchair benefit in a new
5 California EHB benchmark plan with the following characteristics: the benefit will cover
6 medically necessary wheelchairs; it will not include a dollar limitation on medically
7 necessary wheelchairs; cost-sharing will be counted toward deductible and maximum out-
8 of-pocket amounts in the plan; and it will not include a “home use” or “in the home” rule.

9 10. DMHC agrees to require health plans subject to Health and Safety Code
10 § 1367.005 to describe the wheelchair benefit under the new benchmark plan in their
11 applicable Evidence of Coverage language. All such health plans must describe the benefit
12 in the Evidence of Coverage for each health plan product available to the enrollees in those
13 products.

14 11. DMHC agrees to provide reasonable discovery responses to Plaintiffs’
15 pending Requests for Production 14 and 20, as modified through meet and confer.
16 Plaintiffs will not include any time related to this term in any request for fees and costs.

17 12. The parties agree to negotiate attorneys’ fees and costs. Plaintiffs are the
18 prevailing parties in this action for the purposes of being entitled to attorneys’ fees and
19 costs. Should the parties be unable to reach an agreement on the amount of attorneys’ fees
20 and costs, Plaintiffs may file a motion for attorneys’ fees and costs. Defendants will not
21 contest Plaintiffs’ entitlement to fees up to \$400,000.00. Plaintiffs will not seek fees and
22 costs under this agreement until the following events occur: a new benchmark plan
23 including the above-described wheelchair benefit is passed by the legislature; said
24 wheelchair benefit is not vetoed in whole or in part by the Governor; and is approved by
25 CMS. If these events do not occur, this agreement is without prejudice to Plaintiffs’ right
26 to seek attorneys’ fees and costs in the ordinary course of the litigation.


27 13. The Parties will stipulate to a dismissal with prejudice with retained
28 jurisdiction for enforcement of the settlement agreement pursuant to *Kokkonen v.*

1 *Guardian Life Ins. Co. of America*, 511 U.S. 375 (1994). Plaintiffs may seek to enforce
2 the settlement agreement or move to reopen the action in the event that the new benchmark
3 plan is not allowed by the federal government or passed by the legislature, or if the
4 wheelchair benefit of the new benchmark plan is vetoed in whole or in part by the
5 Governor.

6
7 DATED: August 29, 2025

Respectfully submitted,

8
9 DISABILITY RIGHTS EDUCATION AND
10 DEFENSE FUND;
11 ROSEN BIEN GALVAN & GRUNFELD LLP

12 By: 
13 Claudia Center, DISABILITY RIGHTS
14 EDUCATION AND DEFENSE FUND


15 By: 
16 Ernest Galvan, ROSEN BIEN GALVAN &
17 GRUNFELD LLP

Attorneys for Plaintiffs

18 DATED: August 28, 2025

Respectfully submitted,

19 ROB BONTA
20 Attorney General of California
21 JULIE T. TRINH
22 Supervising Deputy Attorney General

23 By: 
24 Dane Barca, Deputy Attorney General

Attorneys for Defendants